

WEATHER FORECAST.  
Partly cloudy to-day and to-morrow; little change in temperature; gentle winds.  
Highest temperature yesterday, 74; lowest, 58.  
Detailed weather reports will be found on editorial page.

VOL. LXXXV.—NO. 282.—DAILY.

CONCERNED DRIVE  
TO END U. S. WASTE  
IS URGED BY McLEAN

Cabinet Officers and Other Executives Should Join in Congress Debates, Says Senator.

WORKING NOW IN DARK  
Would End Secrecy in Fixing Appropriations and Bring Government Branches Closer.

OUTLINE OF LEGISLATION  
Two Days a Week, He Declares, Should Be Devoted to Debates With Department Heads Participating.

Special Despatch to THE NEW YORK HERALD.  
New York Herald Bureau, Washington, D. C., June 7.

"It is imperative that the legislative and executive branches of the Government join forces in grappling with the overshadowing problem of cutting down expenses and enforcing real economy if genuine and lasting results are to be accomplished."

This statement was made to THE NEW YORK HERALD to-day by Senator George P. McLean (Conn.), chairman of the Committee on Banking and Currency. He said he had been impressed with the intensive study made by THE NEW YORK HERALD of the fiscal situation here, as disclosed in its series of articles on the subject, and he believes he has put his finger on at least one of the weak spots in the present system that is readily capable of improvement, if not entire correction.

"Congress and the departments of the Government work at too long range altogether in reaching a conclusion as to the size of the various appropriations necessary for financing our current operations," Senator McLean said. "They must be brought closer together, and one way to bridge the gap, in my judgment, is to approve legislation which I have proposed and which I believe ought to be acted upon speedily."

Open Door to Debate.

"That is to confer upon Cabinet officers and members of various governmental bodies the right to the floor in both branches of Congress with the responsibility and privilege of participating in debate."

"I have provided in the bill I introduce that this policy will be followed with respect not only to every Cabinet officer but also to the Governor of the Federal Reserve Board, the chairman of the Tariff Commission, the Federal Trade Commission, the Shipping Board, the Bureau of Efficiency and the Civil Service Commission."

The measure further provides that they shall have the right to participate in debate on matters relating to the business of their respective departments under such rules as may be prescribed by the Senate and House respectively. I have also suggested that two days in each week be set aside in each branch of Congress for this purpose."

"What I have in mind is that on these special days these executive officials shall be present to give information asked for by reason or in reply to questions which may be propounded to them. Under the present system, the provision that their presence may be dispensed with if the occasion seems to require it."

I have in mind two specific results among others which would be accomplished by this program. First, that appropriations would not be asked of Congress by executive officials which could not be defended by sound argument and on the basis of real economy and the genuine needs of the Government. Second, that Congress would get first hand information direct from the source at the time that such information is really needed for the welfare of the Government and the public—namely, when Senators and Representatives are forming their opinions on the size of the appropriations they are to authorize."

Sharing of Responsibility.

"It seems to me that such a policy ought to command attention especially at this time, when we are about to adopt a budget system, and when we are about to begin the beginning of the next fiscal year. It gives the President new and important responsibilities in fixing the size of our annual appropriations. These must be shared to a certain extent, of course, by his Cabinet officers who direct the administration of the various departments."

"Why not go one step further and have Congress and the executive departments work together on the final approval of appropriations?"

"The fact is that we need greater knowledge in Congress and on the part of the public as to why appropriations are made and what motives department or bureau heads have in recommending appropriations. The present method of having secret hearings leads to abuses. Subcommittees may be at work for weeks listening to the arguments presented in support of estimates from the executive branch and hundreds of pages of involved important testimony is taken. Congress does not get these hearings and the press does not get them until the bill is ordered reported. The usual custom is to have the bill at once considered."

"Neither the public nor Congress has time to digest the evidence in support of appropriations, and consequently only a comparatively few men know for what the money is being appropriated. It results in legislation not by Congress but by a few executive officials and members of committees or subcommittees. It is time to correct this, and I believe the proposed practice of requiring Cabinet officials to attend their recommendations on the floor would be of great value."

Washington, June 7.—A general order removing the alleged "gag rule" from the navy has been approved by Secretary Denby. It is understood, and it is now in the hands of the printer.

In effect, it is said, the order provides that hereafter officers may write for publication without submitting their articles to the censorship of the Navy Department.

Certain restrictions only are imposed regarding articles affecting international relations, it is understood. Officers, however, will be held responsible for any statements they may make.

MELLON OFFERS HALF BILLION  
OF NOTES AND CERTIFICATES  
IN REFUNDING FLOATING DEBT

Special Despatch to THE NEW YORK HERALD.  
New York Herald Bureau, Washington, D. C., June 7.

A NEW cycle in Government finance was started by Secretary of the Treasury Mellon to-day, when he entered upon a programme of refunding the large floating indebtedness of the United States.

The Secretary announced the offering of a combined issue of \$500,000,000 in United States notes of three year maturity and of Treasury certificates of indebtedness to mature in one year. Both issues are to be dated from June 15, and the three year notes will bear interest at 5% per cent. and the certificates at 5 1/4 per cent.

The floating indebtedness is somewhat above two and a half billion dollars. It will be vastly increased when the Victory notes, the last war issue, mature in 1923. The new short term notes will carry beyond this maturity. In addition, subscriptions to them and to the new certificates of indebtedness will strengthen the Treasury balance and provide in a slight measure funds for retirement of a portion of the Victory notes.

The notes carry the same tax exemptions as outstanding Treasury certificates of indebtedness. The former's interest rate is a quarter per cent. higher than that on the latter because of their longer maturity, but it is expected that they will be popular with investors. No fixed rule has been laid down as to allocation of the issue between notes and certificates, but it is expected the Treasury will favor the notes.

The new notes will be issued in payment on maturing certificates of indebtedness in every case where investors express the desire for them. They are issued in the same denominations as certificates. Two series of Treasury certificates mature on June 15, the date of the new issue.

HYPHENATES 'ASSES,'  
SIMS TELLS BRITISH

Many of Them in America, Admiral Asserts Before English Speaking Union.

BLAMES ALARMIST PRESS  
Knows Nothing About Irish Question, but Says Sinn Fein Wars on U. S.

LONDON, June 7.—Rear Admiral William S. Sims, U. S. N., advised Britons and Americans to disregard "dangerous propaganda circulated in America by your enemies and ours," in addressing a luncheon of the English Speaking Union here to-day. In denouncing "American hyphenates" he said:

"They are like zebras, either black horses with white stripes, or white horses with black stripes, but we know they are not horses—they are asses. But each of these asses has a vote and there are lots of them."

The Admiral advised the British to ignore any resolution forced by these "jackass" votes. He deplored the fact that there was a section of the press on both sides of the Atlantic which "put false news on the wires which causes questions to be asked."

Admiral Sims recalled the gifts of the busts of Washington to Great Britain by the Sulgrave Institute and allied organizations, representing the Admiral said, an aggregate membership of \$5,000,000, whom he declared "are all Americans." These gifts, he declared, testified to the good feeling of Americans toward Great Britain. He remarked, parenthetically, that "the Irish question is partly an American question," and added:

"I do not want to touch on the Irish question, for I know nothing about it, and I haven't found any Englishman who does. But there are many in our country who technically are Americans, some of them naturalized and some born, but none of them Americans at all. They are Americans when they want money, but Sinn Feiners when on the platform. They are making war on America to-day. The simple truth of it is that they have the blood of British and American boys on their hands for the obstructions they placed in the way of the most effective operation of allied naval forces during the war."

MRS. AGNES CHILDS DIES  
OF SLEEPING SICKNESS

Wife of Chain Restaurant Vice-President Long Ill.

Mrs. Agnes O'Neill Childs, wife of William Childs, vice-president of the Childs Company, operator of the chain of restaurants of that name, and prominent in Presbyterian Church circles in New Jersey, died Sunday of sleeping sickness at Battle Creek, Mich. She came known yesterday. Mrs. Childs' death followed an illness that dated back to the late winter of 1920, and during all that time she had suffered intermittent attacks of the coma that characterizes the disease. She was stricken while in Florida.

During the war Mrs. Childs was active in Red Cross and other relief work. In addition she took a deep interest in the employees of the Childs Company and gave much of her time to the organization of the Childs Mutual Welfare Association. The strain of overwork made it necessary for her to seek rest and on February 11, 1920, she and Mr. Childs left their home at Barnardville, N. J., for Florida. Soon after arriving at the hotel where they were staying, Mrs. Childs was stricken with sleeping sickness.

REVOCATION OF NAVY  
'GAG RULE' APPROVED

General Order Will Be Issued Soon by Denby.

WASHINGTON, June 7.—A general order removing the alleged "gag rule" from the navy has been approved by Secretary Denby. It is understood, and it is now in the hands of the printer.

In effect, it is said, the order provides that hereafter officers may write for publication without submitting their articles to the censorship of the Navy Department.

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UPPER SILESIA NOW  
NEAR BOLSHEVISM

Discipline on Fighting Front, but Anarchy and Banditry Grow in the Interior.

REMEDY IS HARD TO SEEK  
Only Hope Is in British Aid, but Poles May Fight Erstwhile Allies.

Special Cable to THE NEW YORK HERALD.  
Copyright, 1921, by THE NEW YORK HERALD.  
New York Herald Bureau, Berlin, June 7.

Upper Silesia is edging into that condition of anarchy and banditry commonly associated with the term Bolshevism. The Polish rebellion is now five weeks old, and while military discipline of a kind is being maintained on the fronts the regions behind the fighting zone have been delivered over to ruffianism, extortion and plunder. Leadership has lost its significance and the preservation of even the most primitive rights gradually is being lost. What remedy still remains is hard to judge, even from a Berlin perspective, where press reports are loose and partisan.

The only hope of restoring order appears to lie in the size and activity of the British forces now being sent to the scene, but their intervention may prove a costly blessing, since the Poles, according to information received here, now consider the English as enemies and may not disarm without resistance.

The present English forces are not large enough to advance independently of the French and harmony for joint action, it is believed here, is not likely to be found. Hence it is anticipated here that the British will send a full division, of a war footing, which would be an army large enough to cope with the insurgents, even if they resisted.

Should the Inter-Allied Commission finally determine to place the entire Upper Silesia district in dispute under martial law and concentrate authority in Gen. Hoerber, British commander, this, in the opinion of Berlin, would be the surest way of finally getting at the task of bringing about disarmament. But it is doubted whether the Poles would surrender without doing much more damage and possibly by fulfilling the threat of Adalbert Korfanty, Polish insurgent leader, to devastate the factory districts.

The news of the Inter-Allied Commission to Gen. von Hoerber, head of the German defence forces, threatening to leave the industrial cities without guard unless German volunteers evacuate the positions recently captured is felt here to be an attempt by the commission to find some pretext for putting the blame upon the Germans for what is not happening and what is almost certain to follow.

German commentators insist that Gen. von Hoerber is utterly without power to enforce the allied order, because his army is not subject to his command. It is a volunteer organization of hastily assembled bands from many districts. Especially the Oberland Bavarians who took the initiative in the recent fighting are unamenable to repressive measures either from their commander or the Allies.

The Rote Fahne, a Communist newspaper, even sees a threat to the German Government in the unruliness of von Hoerber's men and warns German leaders to guard lest the "Orgesch from Upper Silesia" turn their bayonets on Berlin and overthrow the Government.

The atmosphere in allied and German official circles regarding Upper Silesia is anything but calm and it is said that antipathies between French and British have reached such an amazing pitch that one group among the British has become openly pro-German and is trying to arrange an Anglo-German offensive.

The most outspoken Germans are bewailing their "betrayal" and their not being free to take matters into their own hands, while the French and Poles, without much friction, manage to guard the interests of the insurgents.

The Germans declare the Supreme Council postpones the resumption of its authority and the reestablishment of order, with the result that one of the most vital industrial regions of Europe is facing pillage, murder and desolation.

Continued on Third Page.

OBREGON MUST SIGN  
TREATY GUARANTEES  
TO GET RECOGNITION

Statement by Hughes Indicates No Time Will Be Lost in Useless Parleying.

NO ALTERNATIVE OPEN  
Says the Question Hinges on Interpretation of 1917 Constitution.

WANTS WRITTEN PLEDGE  
U. S. Property Rights Paramount if This Country Is to Join in Any Agreement.

Special Despatch to THE NEW YORK HERALD.  
New York Herald Bureau, Washington, D. C., June 7.

Mexico was informed to-day through the medium of a formal statement from the State Department that "when it appears that there is a Government in Mexico willing to bind itself to the discharge of primary international obligations" recognition will be extended by the United States.

The statement, made public by Secretary Hughes, follows the reply sent by President Obregon of Mexico to the proposals made to him through American Charge Summerlin at Mexico city for negotiation of a treaty of amity and commerce.

From the direct manner of Mr. Hughes' statement, it is assumed that President Obregon has raised objection to signing the treaty. Secretary Hughes indicates no time is to be wasted in useless parleying. He states the issue, describes the solution and the effect is that Mexico "may take it or leave it."

Statement Is Very Direct.

With a directness which must come as a surprise to the Mexican authorities, accustomed as they have been for eight years to an interminable correspondence from Washington, Mr. Hughes says the whole question centers about the interpretation of Article 27 of the Mexican constitution, which is regarded as confiscatory of American rights.

The following statement on the subject was issued:

"The fundamental question which confronts the Government of the United States in considering its relations with Mexico is the safeguarding of property rights against confiscation. Mexico proposes to adopt any policy which she pleases with respect to her public lands, but she is not free to destroy without compensation valid titles which have been obtained by American citizens under Mexican laws."

"A confiscatory policy strikes not only at the interests of particular individuals but at the interests of international intercourse, for it is only on the basis of the security of property validly possessed under the laws existing at the time of its acquisition that the relations between the peoples of two countries and the conduct of activities in helpful cooperation are possible."

Must Give Assurances.

"This question should not be confused with any matter of personality or of the recognition of any particular administration. Whether Mexico is ready to give assurances that she will perform her fundamental obligation in the protection both of persons and of rights of property validly acquired there will be no obstacles to the most advantageous relations between the two peoples."

This question is vital because of the provisions inserted in the Mexican constitution promulgated in 1917. If these provisions are to be put into effect retroactively, the properties of American citizens will be confiscated on a great scale. This would constitute an international wrong of the gravest character and this Government could not submit to such a compromise. If it be said that this wrong is not intended, and that the constitution of Mexico of 1917 will not be construed to permit, or enforced so as to effect, confiscation, then it is important that this could be made clear by guarantees in proper form. The provisions of the constitution and the executive decrees which have been formulated with confiscatory purposes must be obviously necessary that the purposes of Mexico should be definitely set forth.

"Accordingly this Government has proposed a treaty of amity and commerce with Mexico, in which Mexico will agree to safeguard the rights of property which attached before the constitution of 1917 was promulgated. The question, it will be observed, is not one of a particular administration, but of the agreement of the nation in proper form which has become necessary as an international matter because of the provisions of its domestic legislation. If Mexico does not contemplate a confiscatory policy, the Government of the United States can conceive of no possible objection to the treaty."

The proposed treaty also contains the conventional stipulation as to commerce and reciprocal rights in both countries. It also provides for the conclusion of a convention for the settlement of claims for losses of life and property, which, of course, means the prompt establishment of a claims commission in which both countries would be represented. In order to effect a just settlement. There is also a provision for a just settlement of boundary matters.

"The question of recognition is a subsidiary question."

Continued on Fourth Page.

Two Die as Plane Hits  
Tree, Exploding Bombs

HAMPTON, Va., June 7.—Noel R. Thompson of Jacksonville, Ill., and C. A. Rowen of Quitman, Ga., flying cadets, were killed to-day when their airplane struck a tree top during a bombing flight at Langley Field and caught fire.

Three of the four bombs carried exploded and the machine was demolished.

BODY OF MERCHANT  
FOUND IN ROOF TANK

Samuel Fernbacher, Paper Supply Dealer, Believed to Have Taken Own Life.

THROAT AND WRIST CUT  
Members of Family Say He Had Worried Over Falling Off in Business.

The body of Samuel Fernbacher, head of a paper makers' supply concern at 22 Jones street, who had been missing since Sunday, was found yesterday at the bottom of a water tank on the roof of the Jones street building, slashed with a razor across the throat and wrist. Although detectives of the Charles street station who worked on the case believe he became despondent over business conditions and took his own life, the case presents puzzling features.

If Mr. Fernbacher cut his throat and wrist downstairs in his office, where the only bloodstains were found, it was necessary for him to make his way to the roof of a seven story building, climb a thirty foot tank ladder after he reached the roof, and then force himself through a window in the top of the tank. He was 67 years old. Firemen from the Charles street hook and ladder company who recovered the body with ropes after they had emptied the big tank of water were obliged to cut away a large piece of the top before they could bring the body through.

The police reported finding \$325 in cash in the dead man's clothing. According to members of his family he left his home, at 41 West Eighty-second street, Sunday morning with about \$1,500. He said he intended to go down to the office and look over his books.

His watch, a diamond ring, some checks and papers were found on the body. In one of the upper pockets of his vest the detectives said they found a razor. It is their theory that Mr. Fernbacher, finding he had not inflicted a fatal wound, stuck the razor back in his pocket and went up to the roof with the intention of jumping off. They think the water tank then drew his attention, and he climbed the ladder to its top.

He evidently had been at work in his office just before his death, for he was wearing his office coat. When Detectives Campbell, Stephens and Caveno reached the building they found a large stain just outside Mr. Fernbacher's office, in the hallway. This, they said, was the only stain they discovered.

The police, in their investigation of the suicide, say they were informed by Mr. Fernbacher's family that he had been in low spirits for some time. Although his financial condition within the last few days had been much worried over the falling off in his business since last year.

DENTIST AND GIRL OF 18  
IN TWO BURGLAR GANGS

Paris Police Trace Jewelry Robberies to Captives.

Special Cable to THE NEW YORK HERALD.  
Copyright, 1921, by THE NEW YORK HERALD.  
New York Herald Bureau, Paris, June 7.

The police made an important arrest when Georges Baret, a dentist with an office on the fashionable Champs Elysees, and his 18-year-old companion, Gabry Millet, were caught last night, together with a dozen members of two burglar gangs which the police say are responsible for a score of jewelry robberies in Paris and its suburbs during the last two months.

Although working separately the gangs, which are known as the "Jacket Gang" and the "Blouse Gang," coordinated the sale of their loot through Gabry Millet, who is a woman member of the "Jacket Gang" confessed just before she committed suicide in a prison cell at St. Lazare.

DEPRESSION AT ITS TURN,  
SAYS A TRADE LEADER

Hardware Man Sees Prosperity After Readjustment.

MONTREAL, June 7.—The business depression has reached its turning point, contends Eugene J. McCarthy, president, tool, cutlery and the American Iron, Steel and Heavy Hardware Association to-day. He said progress and prosperity would inevitably follow a readjustment of prices.

2. A recommendation for legislation requiring the companies to invest a certain percentage (40 per cent.) is the tentative proposal of their total assets in bonds secured by mortgages on unencumbered real property.

3. A recommendation for legislation prohibiting the companies from appropriating for the benefit of stockholders any part of the income derived from the investments of unearned premiums, providing remedies for the recovery of past income so appropriated if it shall be determined by the courts that such income is not the property of the stockholders and further providing for the use of such income for the benefit of policy holders in a manner to be approved by the Legislature.

Are You Looking for Country Board?

There's always a lot of Country Board Advertisements in The Herald's Want Ad Section. See to-day's. Whether you are looking for a place in the country to live this Summer or whether you want boarders, you can be certain in advance of fine returns if your ad is in

THE NEW YORK HERALD

TELEPHONE CHELSEA 4000

Continued on Seventh Page.

FIRE UNDERWRITERS  
DROP MONOPOLY, BUT  
OPPPOSE 3 REFORMS

Undermyer's Plan to Limit Investments Will Be Fought Hard.

ALBANY FIGHT LIKELY  
43 Companies Promise to Give Up Many Bad Practices.

TO AIR STOCK SALES  
Dryden Refuses to Admit Borrowers Had to Buy Unsirable Properties.

Officials of forty-three fire insurance companies—representative members of the New York Fire Insurance Exchange—have agreed to put into immediate effect enough of the reforms demanded by Samuel Undermyer, chief counsel for the Lockwood legislative committee, to win for themselves a suspension of this line of the committee's investigation. Official announcement of this agreement was made at yesterday's meeting of the committee, and at the same time Mr. Undermyer announced that the committee had put itself on record as favoring an independent legislative investigation of the whole fire insurance business.

Mr. Undermyer said that unless there is a change in the present plans this will be one of the recommendations to be submitted by the committee to the next session of the Legislature. The insurance companies, Mr. Undermyer announced, promise to support any legislation that is necessary to put into effect the changes and modifications in insurance practices demanded by the committee.

Changes Forced by Undermyer.

These changes are as follows:

1. That all rates and the manner of their making shall be subject to the supervision and review of the State Superintendent of Insurance, with the right of appeal to the courts from any decision of the superintendent.
2. That there is to be a like review, by the Superintendent in the first instance and then by the courts, of the instances of either party, of the action of rating associations in their refusal or failure to recognize fire prevention devices, and of the credits or allowances to be given therefor when the same have been approved by the Bureau of Standards at Washington.
3. That mutual companies holding State licenses may become members of any rating association operating in the State, on the same basis and with all the privileges of stock companies, and that stock companies shall have the same privileges in rating associations operated by mutual companies.
4. That rating associations and exchanges shall amend their rules so as to permit members to reimburse their risks with other members of the rating associations authorized to do business within the State.
5. That every broker holding a license from the State shall have a restricted right to deal with members of the rating associations and with other companies licensed to do business in the State, not members of the rating associations.

Each broker is required to furnish a bond for the accounting of all such moneys in a form and amount to be determined by the State Superintendent of Insurance. The law shall further require that no broker shall be permitted to receive and the companies will not pay compensation in excess of the regulations of the rating associations having jurisdiction.

Points to Be Opposed.

Mr. Undermyer then outlined the three principal points to which the insurance companies refused to agree, and which he openly admitted they will oppose when legislation to compel their observance is introduced at Albany. They are:

1. A recommendation that the investments of fire insurance companies shall be limited in the same manner as the investments of life insurance companies are now limited, provided that the companies shall have five years within which to dispose of their securities that do not come within the restrictions the Legislature will be asked to impose.
2. A recommendation for legislation prohibiting the companies from appropriating for the benefit of stockholders any part of the income derived from the investments of unearned premiums, providing remedies for the recovery of past income so appropriated if it shall be determined by the courts that such income is not the property of the stockholders and further providing for the use of such income for the benefit of policy holders in a manner to be approved by the Legislature.

Records Will Be Produced.

Fire insurance men were unanimous in the opinion that the introduction of the proposed legislation covering the last three mentioned points, will precipitate the keenest legislative fight on insurance measures that Albany has seen in many a legislative session. As a basis for the proposed legislation the Lockwood committee will place in the record, as soon as the figures can be analyzed, statements of companies writing insurance in this State showing that money was put into investments

Puts Live Republican  
in Dead Democrat's Job

Special Despatch to THE NEW YORK HERALD.  
Hartford, Conn., June 7.

SOUTH NORWALK, Conn., June 7.—Gov. Lake recently appointed Alonzo W. Burns as Harbor Master at Milford, but Mr. Burns was not able to take the office. At the time of his appointment he was dead, and had been for more than a year. He was also a Democrat.

When these facts were called to the Governor's attention he appointed Daniel B. Perry, who is a Republican and alive.

ACQUITTED IN FIRST  
STATEDRY LAW CASE

Bartender, Caught Selling Drink for 60 Cents, Freed After Trial Here.

PROPRIETOR IS BLAMED  
Juror After Verdict Says Owner of Saloon Is One to Be Held, Not Employee.

The first jury to try a case for violation of the Mullan-Gage dry law in New York county returned a verdict of not guilty last night in the trial of Charles Dickman, a bartender in a saloon at 892 Columbus avenue, who was charged with possession, delivery and selling whiskey. The jury deliberated for three hours and fifteen minutes.

The trial was held before Justice Henry V. Borst, who was sent here from Amsterdam by Gov. Miller to convene an extraordinary term of the Supreme Court to hear only liquor cases brought about by the activities of the police since the State dry law went into effect on April 4.

The Extraordinary Grand Jury empaneled on Monday by Justice Borst returned yesterday afternoon a verdict of nineteen cases presented by Albert B. Unger, Assistant District Attorney. The dismissed thirteen were reported to be of the hip pocket variety.

Dickman was arrested on April 12 by Policeman Ford of the 100th street station just as he had sold a drink for sixty cents. The drink was seized and placed in a small bottle, as was also a half pint found behind the bar.

The only persons to get on the jury were those who declared they had no prejudice against the law. The twelve were selected of twenty examined.

Dickman, on the stand, said that he thought Patrolman Ford was a burglar when he came into the saloon. He testified that the liquor served was not intoxicating. Ferdinand Pecora, Assistant District Attorney, who prosecuted the case, could not shake the bartender's story. Patrolman Ford told of finding the liquor and turning it over to the city chemist for analysis. The jury were allowed to smell—but not taste—the contents of the bottles containing the drinks.

Justice Borst, charging the jury, said that as good citizens they must lay aside any personal feeling regarding the case and consider the evidence as it is. He told the jury that they decided that the liquid in the bottles was the same as was taken from Dickman at the time of his arrest and that it was intoxicating, they should "act accordingly."

After being out for an hour the jury came in for advice as to the meaning of the verdict of acquittal. Justice Borst informed them that they could return a verdict of guilty on either possession, delivery or selling, as stated in the three counts of the indictment. One of the jurors said that he was not sure the one to be held for possession and not the bartender. In order to sell liquor, one must be in possession of it," the court advised.

After the closing of the courtroom eight of the jurors gathered around Dickman and his counsel, George Donellan, and shook hands with them. Mr. Donellan said:

"Well, if they couldn't get a conviction in this case, there won't be any convictions."

BUSTANOBY IS HELD; NOT  
THE ADVERTISED RUM

Police Can't Find Leftover Liquor for Sale.

Jacques Bustanoby, the restaurateur, Robert Cosed of 162 West Forty-fifth street, and Virgil Nora of 355 West Forty-seventh street were held yesterday in City Hall by Judge Otto A. Rosakowsky, in General Sessions, on an indictment charging illegally advertising the sale of intoxicating liquors in violation of the Mullan-Gage law.

It is said the three sent out circulars advertising the disposal of a fine assortment of liquor left over from prohibition days. The papers contained a price list with the information to call up a telephone number to ask Cosed about the delivery of certain portions of the stock.

Three weeks ago a Wall Street broker received a circular which he turned over to the officials. Men under Inspector Thomas McDonald, in charge of a plain clothes "hoody" squad of rum sleuths, got in touch with Cosed and entered into an agreement to purchase a large amount of choice brands similar to those once served by Bustanoby. Cosed's headquarters were visited and the detectives found numerous circulars identical with the one sent the broker, but they have been unable to locate the liquor as yet.

The indictment was the first specifying this offense.

FIRE FOR 3 SQUARE MILES.

Sweeps Over Island in Maine, Destroys Pulpmud.

CALAIS, Me., June 7.—Fire swept through three square miles of woodland on Eastern Island to-day and destroyed 600 cords of peeled pulpmud. The island is one of a group known as the Wolves, six miles from Grand Manan, N. B.

Greenbrier, White Sulphur Spgs., America's best bathing place, is being visited by tourists, riding swimming, boating, etc. etc.

GRAFT LINK SOUGHT  
BETWEEN DETECTIVE  
AGENCIES AND POLICE

Meyer Committee Begins Tracing Reports of New System of Extorting Protection Money.

LEACH GIVES UP DATA  
Wallstein Seeks Light on Demands in Behalf of Private Bureaus for Recovering Plunder.

BEATS RED LIGHT WAY  
Queens Pipe Scandal Witness Not Found—TheMcManus to Appear Soon—Costigan Case Delayed.

The legislative committee's investigation of the Police Department began to assume more definite form yesterday when the inquiry spread into several new channels. John A. Leach, Acting Police Commissioner, appeared in answer to a subpoena and produced official records.

Leonard M. Wallstein, associate counsel for the committee, took charge of the inquiry into the police administration, and in this work is being assisted by Francis B. Lord, formerly Deputy Commissioner of Police, and James E. Smith, Assistant District Attorney. Members of the committee and its counsel are closely guarding all developments.

It was said that Mr. Leach merely produced the papers requested and that no effort was made to examine him. He has refused to appear as a witness before a subcommittee and a motion to have him declared in contempt is now before the courts.

It is presumed that one of the things at which the investigators are aiming is to determine whether there is any underground connection between the department and private detective agencies. Such connection has come close to the surface many times, but never has been exposed fully.

In fact, the committee is expected to find out what basis there is for reports that one big private agency has been doing a tremendous business because of a well established connection with headquarters.

Little Red Light Grafting News.

The old system in the police was to pay tribute for non-interference with illegitimate enterprise. That form of grafting—the red light graft of twenty years ago—is believed to exist to-day only in small degree.

The modern form is believed to be the sale of protection. It is charged, and these charges are to be run to the ground, that the public has had to pay for its police protection. When complaint was made that protection was inadequate and that valuable property in the financial district and elsewhere was in danger, it is said that the "suggestion" has been thrown out by the police that the public had to pay for its police protection. When complaint was made that protection was inadequate and that valuable property in the financial district and elsewhere was in danger, it is said that the "suggestion" has been thrown out by the police that the public had to pay for its police protection. When complaint was made that protection was inadequate and that valuable property in the financial district and elsewhere was in danger, it is said that the "suggestion" has been thrown out by the police that the public had to pay for its police protection.

Another line of investigation is expected to relate to the demands amounting to a bribe for the recovery of lost property. When bond thefts were common it is understood that instant demand was made for the offer of large rewards for the recovery of the stolen property. Records will be searched to find how many times private agencies recovered the stolen goods and what amounts were paid in rewards.

In fact, every activity of the police will be subjected to the closest scrutiny, it is expected, before the inquiry is completed. What information the committee can get will be made public until it is disclosed on the witness stand.

Commissioner Leach yesterday wrote to Senator Meyer, chairman of the committee, asking that the request for Capt. "Honest Dan" Costigan's services as an investigator be referred to Commissioner Enright as soon as he returns. The Commissioner was said to be at Stornell, near his old home, on a vacation.

Scanning Police Promotions.

All papers dealing with the last promotion of patrolmen to the rank of sergeant were demanded of the Municipal Civil Service Commission. Irregularities in the line of promotion have been brought to the attention of the public records and they would be pleased to produce anything the committee wanted, but said the documents were bulky and suggested the investigators search for material to be revealed later in public hearings.

Announcement was made that the committee's subpoena served had been unable to find John A. Phillips, salaried man for a pipe concern, whose testimony is wanted in connection with contracts in Queens. There is one transaction involving \$14,000 on which the committee believes Phillips could give some light.

Alderman McManus informed the committee that he had been unable to find his brother, John McManus, for whom the committee has been hunting for three weeks. The West Side Tammany leader would show up soon, the Alderman said.

Porter P. Atlee, accountant in the office of David Hirschfeld, Commissioner of Accounts, had been subpoenaed, but the Commissioner refused to lend Atlee's services to the committee. He was subpoenaed before a subcommittee and the information obtained in that way.

Justice Donnelly in the Supreme Court directed that books belonging to Isaac Goldberg of 43 East Tenth street, which had been seized by the committee, be returned. The documents were taken in connection with the inquiry into the affairs of a relative of Goldberg, who has a vested interest in the committee. Goldberg said nothing had been found which repaid the investigators for their trouble.